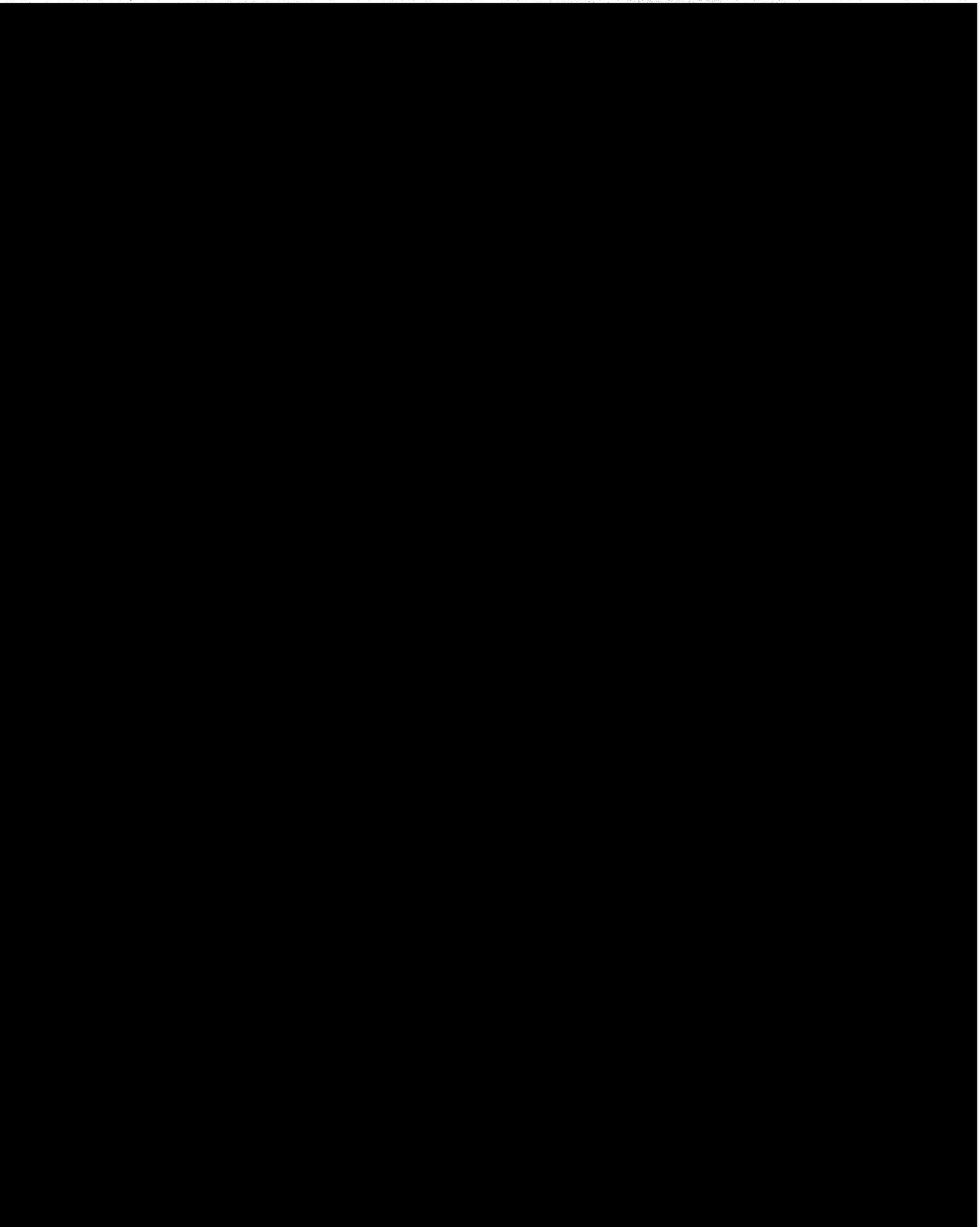


Financial Management Improvement Instructions, No. [REDACTED]
Job 2432

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1 of 1



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Financial Management Improvement Instruction No.

SUBJECT: General - Implementation of Financial Management Improvement Program
Specific - Decentralized Allotment Control Procedure - Vouchered Funds

REFERENCE: [REDACTED] - Headquarters Allotment Control Procedure 25X1A

1. PURPOSE

The purpose of this Instruction is to provide vouchered funds allottees with a uniform system for the control of vouchered funds allotments, obligations, expenditures, and adjustments thereto, and to prescribe a procedure for the reporting of obligations by the vouchered funds allottees to the Fiscal Division, Office of the Comptroller. The provisions of this Instruction shall be effective beginning 1 July 1959.

2. GENERAL

For a number of years allottees have maintained control records of confidential funds allotments and rendered monthly summary obligation reports to the Finance Division, Office of the Comptroller, for inclusion in monthly financial statements. In conformance with the Agency's Financial Management Improvement Program, and in order to provide more current records of the status of each vouchered funds allotment, it is deemed

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desirable for allottees also to maintain control records of vouchered fund allotments and to render monthly summary obligation reports of accumulated obligations to the Fiscal Division, Office of the Comptroller.

3. PROCEDURE

Reference handbook sets forth the detailed "Headquarters Allotment Control Procedure" to be followed by allottees with respect to confidential funds allotments. The procedure for maintaining allotment control for vouchered funds shall be as set forth in reference, subject to the special instructions set forth below:

- a. Allottees shall maintain allotment control records to reflect accumulated obligations by object classes and shall submit monthly summary obligation reports reflecting accumulated obligations by object classes, as prescribed in Attachment A hereto.
- b. Obligation documents, except for payroll and related items, carrying a certification as to availability of funds shall be forwarded promptly to the Fiscal Division, Office of the Comptroller. These obligation documents shall reflect in addition to the certificate as to availability of funds (1) the obligation reference number, and (2) the cost center symbol to which the subsequent expenditure should be charged. Expenditures against previously submitted obligations will be processed by the Fiscal Division without referring the

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expenditure vouchers to the allottee for further certification in cases where the Fiscal Division has a contract or purchase order, and a receiving report, and such practice is agreeable with the allottee; this practice is currently being followed with respect to obligations which originate in the Office of Logistics and in the Office of Communications. Expenditure vouchers received by the Fiscal Division, for which obligation documents are not on file, will be forwarded to the allottee for certification that funds are available prior to payment. The requirement that an allottees' certification of availability of funds appear on each obligation document will, in some instances, require the rerouting of certain obligation documents, such as contracts for services, not now flowing through the allottees' offices. Prior to 1 July 1959, allottees' should take the necessary steps to arrange for any such rerouting which may be required.

- c. Payroll obligations may be recorded under a simplified procedure described in Attachment B hereto.
- d. Expenditures shall be recorded on the Allotment Control Record based upon the monthly expenditure listing received from the Office of the Comptroller, inasmuch as the Fiscal Division will pay some claims on the basis of previously submitted obligation documents appropriately

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certified to show availability of funds.

- e. Obligations for transportation of things shall be recorded as a normal obligation against the allottees' funds rather than as prescribed [REDACTED] 25X1A

4. APPLICABILITY TO ALLOTMENTS OF PRIOR FISCAL YEARS

- a. The procedure prescribed herein, effective 1 July 1959, shall apply also to all open vouchered funds allotments of prior fiscal years (fiscal years 1959 and 1958). In addition, allottees shall have the responsibility of maintaining continuing records of unliquidated obligations applicable to lapsed appropriations for inclusion in annual listings to be provided to the Office of the Comptroller.
- b. As soon as practicable after 30 June 1959, the allottees will be provided by the Office of the Comptroller with the status of each open allotment for fiscal years 1959 and 1958 as shown on the records of the Fiscal Division as of 30 June 1959, showing the gross amount of allotments, cumulative obligations, accumulative expenditures, unliquidated obligations and unobligated balance. Further, the Fiscal Division will furnish each allottee documentation to support each unliquidated obligation outstanding for fiscal years 1959 and 1958 as of 30 June 1959, or with lists of all unliquidated obligations outstanding as of 30 June 1959. In either case, the unliquidated obligations will be identified by a reference number

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which will be shown in subsequent expenditure listings to enable allottees to adjust their allotment control records. Also, for the records of allottees the Fiscal Division will provide a listing of unliquidated obligations as shown by its records as of 30 June 1959, for the allotments of fiscal year 1957 and for prior years.

- c. Beginning 1 July 1959, since the Fiscal Division will have available detailed documentation representing unliquidated obligations for fiscal years 1959 and prior years, it will continue to process to the extent that it has heretofore, payment documents without reference prior to payment to the allottee even though the obligation documentation does not reflect a certification by the allottee as to the availability of funds. In cases where no record is available in the Fiscal Division of a recorded obligation for any payment document, such document will be referred to the allottee for certification as to the availability of funds prior to payment.

L. K. WHITE
Deputy Director (Support)

ATTACHMENTS:

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ATTACHMENT A

PROCEDURE FOR MAINTAINING VOUCHERED FUNDS
ALLOTMENT CONTROL RECORD AND REPORTING CUMULATIVE
OBLIGATIONS TO FISCAL DIVISION
OFFICE OF THE COMPTROLLER

1. Allotment Control - General

A separate allotment control record shall be maintained for each allotment issued by the Budget Division, Office of the Comptroller. Allottees may elect also to maintain an obligation control at a level below the allotment level. If so, Form No. 1643 should be maintained at such lower level in the same manner as for obligation control at the allotment level.

2. Maintenance of Allotment Control Record - Form No. 1643

(Figure 1)

- a. To provide consistency between vouchered and confidential funds allotment control records, the columns for recording date, reference, description, allotments, obligations, expenditures and unobligated balances are the same for vouchered as for confidential funds and will be posted in the same manner. The requirement that vouchered funds obligations be reported by major object classification, however, necessitates additional columns for recording object class breakdown.
- b. In order to obtain object class data on cumulative

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obligations the allotment control record may be maintained under either of the two alternative methods set forth below:

(1) Alternative one

Utilize the object class columns to record the object class breakdown of each obligation at the time it is recorded in the obligations incurred column. This will necessitate an adjustment to the appropriate object class column in each instance when (a) an obligation is liquidated by an expenditure in an amount other than the exact amount obligated, (b) the expenditure is made to different object classes than those obligated, and (c) an obligation is cancelled or adjusted. At the end of each month the totals of the several object class columns will represent cumulative obligations by object class breakdown.

(2) Alternative two

Utilize the object class columns to record the object class breakdown of each expenditure at the time it is recorded in the expenditure column and at the end of each month determine the object class breakdown of unliquidated obligations by recapping the documents in the unliquidated obligation file. The total of each

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object class of expenditures added to the object class of unliquidated obligations will represent cumulative obligations by object class.

3. Monthly Summary Obligation Reports

- a. To provide data for the recording of all obligations in the accounts maintained by the Fiscal Division, each vouchered funds allottee shall prepare and transmit to the Fiscal Division at the close of each monthly accounting period a summary obligation report. This report shall be prepared on Form No. 1644, Summary Obligation Report (Figure 2), to show the amount of the cumulative fund obligations by object class to be recorded by the Fiscal Division for each allotment account.
- b. The allotments shall be listed on Form No. 1644 under subheadings for each fiscal year. The reports will reflect each month (1) all allotments maintained by the allottee for the current fiscal year regardless of whether there have been any changes in cumulative obligations during the current month, and (2) all allotments for the two prior fiscal years for which changes have occurred during the current month in the total cumulative obligations to date. If no change has occurred during the month in the cumulative obligations of the allotments for either of the two preceding fiscal years, the year will be

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listed and the words "No Changes" inserted there-
under in the Allotment Symbol column.

- c. The summary obligation reports submitted on Form No. 1644 must reach the Fiscal Division no later than the second working day following the close of each month. It is the responsibility of the allottees to insure that the Fiscal Division is currently and adequately informed of the cumulative obligations to be recorded by it.

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SUMMARY OBLIGATION REPORT

REPORT NO.

PAGE NO.

FOR PERIOD ENDED

OF

PAGES

TO: ~~FISCAL DIVISION, ASSISTANT SECRETARY~~

FROM: (OFFICE OR DIVISION)

ALLOTMENT ACCOUNT TITLE

ALLOTMENT SYMBOL

CUMULATIVE OBLIGATIONS

OBJECT CLASS

AMOUNT

CERTIFIED CORRECT

DATE

BY (SIGNATURE AND TITLE)

FORM

1644

Handwritten signature and date

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ATTACHMENT B

SIMPLIFIED METHOD FOR RECORDING
PAYROLL OBLIGATIONS

1. Vouchered funds allottees will be provided with a summary of each bi-weekly payroll showing the total payroll charges for gross salary (object class 01) and Agency contributions to life insurance (object class 07), retirement (object class 11) and FICA (object class 15). This summary, with appropriate adjustments whenever necessary because of known personnel changes which would have an important effect on the obligation recorded, may be used to project future payroll obligations in the following manner:

- a. At the beginning of each fiscal year, establish estimated obligations for the partial and complete bi-weekly pay periods in July (e.g., in July 1959 these periods are 1-11 July, 12-25 July, and 26-31 July). Assuming a 10 work day pay period, the obligation to be established for 1-11 July would be 8/10ths of the most recent payroll summary available, for 12-25 July 10/10ths, and for 26-31 July 5/10ths. For example, if the latest bi-weekly payroll summary available indicates gross salary charges of \$2,000 and there were no known personnel changes requiring recognition in the estimate, the estimates to be set up for 1-11 July would be \$1,600,

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for 12-25 July \$2,000, and for 26-31 July \$1,000, or a total of \$4,600. These figures were arrived at as follows:

<u>Pay Period</u>	<u>Work Days</u>	<u>1/10 Bi-weekly Amt.</u>	<u>Estimate</u>
1-11 July	9	\$200	\$1600
12-25 July	10	200	2000
26-31 July	5	200	1000

- b. At the beginning of each succeeding month, reverse the estimate for the partial bi-weekly pay period falling at the end of the previous month and establish an estimate covering the full bi-weekly pay period beginning in the previous month and ending in the current month (for example, the last estimate established in July covered from 26-31 July, but the full pay period covers from 26 July - 8 August). Thus, at the beginning of August the estimate for 26-31 July would be reversed and a new estimate established covering the period 26 July - 8 August, in addition to estimates for 9-22 and 23-31 August. By using this method the expenditures for a particular payroll may serve to fully liquidate obligations established for the same period.
- c. Estimated obligations for related payroll items, namely, life insurance, retirement and FICA, would be established in the same manner as for salary.

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2 JUL 1959

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: Proposed Financial Management Improvement Instructions:

25X1A

- (1) Control of Costs From Indirect Obligations;
- (2) Discontinuation of the Single Confidential Funds Allotment for Transportation of Things
- (3) Decentralized Allotment Control Procedure - Vouchered Funds; and
- (4) Standardized Requisition Number

25X1A

1. This office concurs in the subject documents. Our concurrence is given with reservations however for the following reasons:

a. Due to the belated submission of the drafts, and the necessity of proceeding promptly if the procedures are to be adopted in a timely manner, there has not been sufficient time to review them adequately or to determine the extent of the additional workload which they will impose.

b. In our opinion, revision or rescission of regulatory issuances should be accomplished in the established way; otherwise a confusing situation will develop.

25X1A

Chief, Operational Services
DUP

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ROUTING AND RECORD SHEET

CAO 4-1163
 404-4171

SUBJECT: (Optional)

FROM: TAS, Office of Comptroller
 1705 Alcott Hall, ext. 8786

NO. DD/S 54-2828

DATE

TO: (Officer designation, room number, and building)

DATE
 RECEIVED FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Comptroller 1039 Alcott Hall		26 May	[Signature]
2.			
3. SSA/DD/S 2129 I Bldg.			[Signature]
4.			
5. DD/S			
6. DD/P/106			
7.			
8. SS			
9.			
10.			
11. TAS, Office of Comptroller 1705 Alcott Hall			
12.			
13.			
14.			
15.			

SIGNATURE

Attached is a copy of Financial Management Improvement Instruction No. _____; Subject: Decentralized Allotment Control Procedure - Vouchered Funds. In order to expedite concurrence of this Instruction, copies have been provided to the SSA/DD/S for the DD/P, the DD/I, and to offices within the DD/S. Your concurrence is requested on the attached "concurrence" sheet by ~~20 May~~ 2 June 1959 in order that this Instruction may be printed and distributed by 15 June 1959.

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END-4-4153

59-2828

26 MAY 1959

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Financial Management Improvement
Instruction No. _____ - Decentralized
Allotment Control Procedure -
Vouchered Funds. Attachment A,
Figures 1 and 2, and Attachment B.

1. This memorandum contains a request for action in paragraph 4 below.

2. The subject Instruction, attached, has been prepared by this Office to provide vouchered funds allottees with a uniform system for the control of vouchered funds allotments, obligations, expenditures, and adjustments thereto, and to prescribe a procedure for the reporting of obligations by the vouchered funds allottees to the Fiscal Division of this Office, to become effective 1 July 1959.

3. In accordance with verbal instructions, subject is submitted to your Office for signature and issuance.

4. It is requested subject be approved for publication and given AB distribution to Agency components in sufficient time to place the issuance in the hands of personnel concerned not later than 15 June 1959.

ATTACHMENT:


Deputy Comptroller

25X1A

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SECRET

Financial Management Improvement Instruction No.

Subject: Decentralized Allotment Control Procedure -
Vouchered Funds. Attachment A, Figures 1 and
2, and Attachment B.

CONCUR:

For the Deputy Director (Plans)

SSA-DD/S

Date

For the Deputy Director (Intelligence)

Assistant to the DD/I (Admin.)

Date

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